



2 TSX Stocks With Jaw-Dropping Returns in 2021

Description

The **TSX Composite Index** topped 19,350 a week ago and is nearly up 10% as of April 26, 2021. Notably, the energy sector (+24.94%) is not a laggard like it was in 2020, and the healthcare sector (+23.28) is the second-best top performer thus far. However, a pair of unlikely advancers have jaw-dropping returns in 2021.

AutoCanada Inc. ([TSX:ACQ](#)) and **Paramount Resources Ltd.** ([TSX:POU](#)) outperform the [general market](#) by a mile. The names are not extremely popular, but current investors should be exceedingly satisfied with their year-to-date gains.

Multi-location auto dealerships

AutoCanada operates franchised automobile dealerships in Canada and Illinois, U.S. The \$1.16 billion company from Edmonton, Canada, currently operate 49 franchised dealerships in eight provinces in the home country. Its operation segment in America consists of 17 franchises.

The consumer cyclical stock trades at \$48.80 per share, or a 106.69% year-to-date gain. Had you invested \$20,000 on December 31, 2020, your money would be worth \$41,338.42 today. While it's a bit surprising to see AutoCanada as among the best performers in 2021, the stock has a total return of 1,403.67% (31.06% CAGR) in the last decade.

AutoCanada's group of dealerships currently sell American, European, and Asian branded vehicles (27 total brands). In 2020, it sold approximately 58,000 vehicles in Canada and about 7,800 units in the U.S. Apart from vehicle sales, its 1,098 service bays contribute more than \$3 billion to revenue. It processed over 756,000 service and collision repair orders last year.

Market analysts see a potential 12.7% gain to \$55 in the next 12 months regarding price forecasts. If you think the automotive industry will flourish this year, this multi-location North American automobile dealership group is the top choice.

Profitability on the horizon

Enbridge (+15.34), **Pembina Pipeline** (+26.28%), and **TC Energy** (+16.24%) are the top-tier energy stocks in [positive territory](#). However, their current performance pales in comparison to Paramount Resources. Investors in this \$1.34 billion independent energy company enjoy a 94.4% gain thus far. The current share price is \$9.72.

Someone who invested \$50,000 on year-end 2020 would be richer by \$47,200 today. Paramount Resources is obscure, although it has been developing, producing, and selling natural gas, crude oil, and natural gas liquids (NGLs) in Canada since 1976. It also pursues longer-term strategic exploration and pre-development plays.

Paramount's concentrations are in three regions. The first is the Kaybob Region in west-central Alberta. Its Montney developments at Karr and Wapiti comprise the Grande Prairie Region in Alberta's Peace River Arch area.

Last is the Central Alberta and Other Region that includes the Willesden Green Duvernay development. Paramount's shale gas-producing properties are in the Horn River Basin and Birch in northeast British Columbia. Despite the \$22.7 million loss in 2020, industry analysts are confident about Paramount reporting a profit in 2021 (\$41 million estimates). As such, the stock price could potentially soar further by 64.6% to \$16 in the next 12 months.

Massive returns

Can AutoCanada and Paramount Resources remain on the leaderboard throughout 2021? Your guess is as good as mine. Nevertheless, both companies have endured the health crisis and seem stable enough to carry on. Meanwhile, investors should be delighted with the jaw-dropping returns.

You can snap some shares today to partake of the massive gains. However, make sure you understand the risks in the respective businesses.

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2. TSX:POU (Paramount Resources Ltd.)

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